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Report Highlights:

While U.S. round tomatoes are ideal for the food service sector and Roma tomatoes have captured the consumer's imagination, influencing menu development and working their way into the Japanese kitchen, more competition and less market promotion has slowed U.S. tomato sales. U.S. exports are down almost 55% in 2003, from their 2000 peak, while both fresh and processed domestic tomato growers step in to take U.S. producers' lost share.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Table of Contents

U.S. Tomatoes – the Ideal Food Service Tomato	3
More Competition and Less Marketing Slow Sales of U.S. Tomatoes	3
Japanese Imports of U.S. Tomatoes Down 29.6 Percent in 2003	3
Domestic Growers Started Planting Cooking Tomatoes	4
Korean Tomatoes Unlikely to Compete with U.S. Tomatoes	4
Japanese Production of Tomatoes Declined Marginally in 2002	4
Japanese Monthly Import Data of Fresh Tomatoes	5
PS&D Tables and Trade Matrices	6
Fresh Tomato PS&D Table	6
Fresh Tomato Import Trade Matrix	7
Fresh Tomato Wholesale Price Table	8

U.S. Tomatoes – the Ideal Food Service Tomato

The firm texture of U.S. tomatoes makes them perfectly suited for sandwich-making. The United States continues to successfully supply round and Roma tomatoes to the Japanese market, targeting mainly Japan's food service sector. Round tomatoes are mainly used in hamburger chains, sandwich outlets and hotels, while Romas are popular in Italian restaurants and for home-cooking. Currently, 80 percent of U.S. tomatoes sold in Japan are round, with the rest Romas. Although Roma tomatoes are still relatively new to the Japanese market, they have captured the consumer's imagination, influencing menu development and working their way into the Japanese kitchen. Whether Roma or round, U.S. tomatoes often sell at higher prices than domestic ones. Current prices at wholesale markets are \$2.52 - \$3.37 (300 – 400 yen) per kilogram for U.S. tomatoes and \$2.52 - \$2.94 (300 – 350 yen) for domestic tomatoes. In contrast to U.S. tomatoes, which are usually shipped in 25-pound boxes, Japanese tomatoes are packed in 5-kilogram boxes.

More Competition and Less Marketing Slow Sales of U.S. Tomatoes

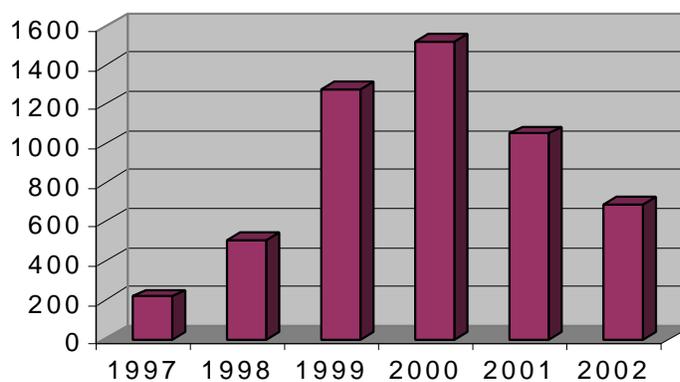
Despite rapid market acceptance and changing how the Japanese cook with tomatoes, sales of U.S. tomatoes declined from lack of market promotion activities and increased domestic competition. Fresh U.S. tomato imports to Japan were 689 metric tons (MT) in 2002, down 34 percent from the previous year. U.S. tomatoes lost ground to domestic producers who increased production of U.S. tomato varieties. Traditionally, Japanese growers produced "Momotaro" tomatoes, a pale pink, soft-fleshed tomato, quite different from U.S. varieties. Responding to U.S. competition, Japanese growers have shifted to U.S. varieties with firm flesh and little gel, targeted to the food service sector.

In 1997, the first fresh U.S. tomatoes were introduced in the Japanese market and sold to Japan's hamburger shops and sandwich stores. Aggressive marketing of the new-to-Japan product by U.S. tomato growers and Japanese traders increased shipment to Japan every year until 2000, to record 1,518 MT, valued at \$4.3 million (CIF). Stalled promotion activities and increased competition from domestic producers have since pushed down U.S. imports.

Japanese Imports of U.S. Tomatoes Down 29.6 Percent in 2003

Japanese imports of U.S. tomatoes were 225 metric tons for January through May 2003, down 29.6 percent from the same period in 2002, and almost 55% from the 2000 high. Japanese traders explain that the U.S. product is high quality and discerning buyers continue to prefer U.S. tomatoes to domestic ones, noting that U.S. tomato sales would expand if U.S. tomatoes were more price-competitive. A key factor contributing to higher prices for U.S. tomatoes is transportation. Approximately 45 percent of U.S. tomatoes were shipped to Japan by air in 2003. The average CIF price for U.S. tomatoes shipped by air was \$2.74 (326 yen) per kilogram from January through May 2003, approximately 30 percent higher than the tomatoes shipped by boat.

Japanese Imports of Fresh U.S. Tomatoes (Metric Tons)



(Source: Japan Customs)

Domestic Growers Started Planting Cooking Tomatoes

As a result of U.S. tomato market efforts opening the food service sector to tomatoes, Japanese trading companies, which finance Japan's key convenience-store chains, have started supplying cooking tomatoes to sandwich manufacturers, whose products are sold Japan's over 40,000 convenience stores. This, combined with recent declines in the price of "Momotaro" tomatoes, has motivated some tomato growers to shift production to cooking tomatoes. The average wholesale price of "Momotaro" tomatoes was \$2.36 (281 yen) per kilogram in 2002 and \$2.51 (299 yen) in 2001. In 2002, cooking tomatoes were commonly traded at \$2.52 - \$2.94 (300 –350 yen) per kilogram.

Japanese tomato juice and ketchup manufacturers have also expanded into the cooking tomato market. Ketchup manufacturers have contracted farms to produce tomatoes for processing and can easily convert their production to cooking tomatoes. Japan Agricultural Growers Coop (JA) has also shifted to production of cooking tomatoes. Cooking tomatoes now make up just under 1 percent of domestic tomato production.

Korean Tomatoes Unlikely to Compete with U.S. Tomatoes

Korea, the largest exporter of fresh tomatoes to Japan, supplied 3,204 metric tons of tomatoes in 2002. The majority of Korean tomatoes supplied to Japan were cherry tomatoes, competing with Japanese production for fresh home consumption, not with U.S. product, according to Tokyo traders.

Japanese Production of Tomatoes Declined Marginally in 2002

Japan produced 784,500 metric tons of tomatoes in 2002, down 2 percent from the previous year, which were mostly consumed fresh. The Japanese production of tomatoes for processing use was relatively small at 58,100 metric tons in 2002. Cherry tomato production was 85,600 metric tons, approximately 11 percent of total tomato production. Japanese production area for tomatoes was 13,300 hectares in 2002, down 2 percent from the previous year. Japanese tomato production is expected to decline slowly in the near future due to the aging Japanese farm population.

In early July, Tokyo's supermarket sold "Momotaro" variety tomatoes at \$2.35 (280 yen) for a plastic tray of 4 large sized tomatoes and \$3.20 (380 yen) for a bag of 7 medium sized tomatoes. Roma tomatoes, advertised as tomatoes for cooking, were sold at \$2.35 (280 yen) for a bag of 5 Romas in the Italian section of the supermarket. Cherry tomatoes were sold at \$1.26 (150 yen) in a clamshell container with 12 pieces.

Japanese Monthly Import Data of Fresh Tomatoes

World Trade Atlas								
Japan - Imports								
Fresh Tomatoes (in Metric Tons)								
2000	Country	Jan.	Feb.	Mar.	Apr.	May	Jun.	
	World	1489	1622	1871	1498	923	323	
	South Korea	1292	1500	1756	1413	833	229	
	United States	169	110	101	65	68	78	
	Canada	0	0	1	9	6	6	
	Netherlands	0	0	1	6	14	8	
	New Zealand	26	11	12	4	0	0	
	Country	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
	World	274	226	579	1344	1309	1558	7726
	South Korea	59	41	403	1135	1156	1457	7023
	United States	200	169	148	183	129	90	591
	Canada	5	12	17	20	16	3	22
	Netherlands	8	3	11	4	3	0	29
	New Zealand	0	0	0	1	3	7	53
2001	Country	Jan.	Feb.	Mar.	Apr.	May	Jun.	
	World	1516	1374	691	389	323	164	
	South Korea	1444	1282	605	305	242	46	
	United States	65	89	73	64	65	106	
	Canada	0	0	13	20	14	8	
	Netherlands	0	0	0	0	1	4	
	New Zealand	6	3	0	0	0	0	
	Country	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
	World	255	217	817	1341	1278	1080	4733
	South Korea	65	73	738	1251	1195	1002	4259
	United States	171	128	68	75	72	69	412
	Canada	13	13	10	14	11	7	55
	Netherlands	6	4	1	0	0	0	5
	New Zealand	0	0	0	0	0	1	0
2002	Country	Jan.	Feb.	Mar.	Apr.	May	Jun.	
	World	463	433	332	340	257	121	
	South Korea	413	380	250	277	164	85	
	United States	47	50	78	59	86	29	
	Canada	3	4	4	4	7	7	
	Netherlands	0	0	0	0	1	0	
	New Zealand	1	0	0	0	0	0	
	Country	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
	World	189	200	566	452	465	373	1569
	South Korea	91	109	429	318	371	318	349
	United States	59	51	69	52	56	53	29
	Canada	39	40	68	76	37	0	1
	Netherlands	0	0	0	6	0	0	1
	New Zealand	0	0	0	0	1	1	2
Source of Data: Japan Customs								

PS&D Tables and Trade Matrices

Fresh Tomato PS&D Table

PSD Table

Country

Japan
Fresh
Tomato
es

Commodity

(HA)(MT)

	2001 USDA Official [Old]	Revised Post Estimate [New]	2002 USDA Official [Old]	Estimate Post Estimate [New]	2003 USDA Official [Old]	Forecast Post Estimate [New]
Market Year Begin		01/2001		01/2002		01/2003
Plnt For Fresh Consump	0	12606	0	12493	0	12420
Plnt For Processing	0	894	0	807	0	730
TOTAL Area Planted	0	13500	0	13300	0	13150
Harv. For Fresh Cons.	0	12606	0	12493	0	12420
Harv. For Processing	0	894	0	807	0	730
TOTAL Area Harvested	0	13500	0	13300	0	13150
Fresh Sale Production	0	735400	0	726400	0	716000
Processing Production	0	62200	0	58100	0	54000
TOTAL Production	0	797600	0	784500	0	770000
TOTAL SUPPLY	0	797600	0	784500	0	770000

Fresh Tomato Import Trade Matrix

**Import
Trade
Matrix**

Country Japan
Fresh
Commodity Tomatoes

Time Period	Jan. - Dec.	Units:	Metric Tons
Imports for:	2001		2002
U.S.	1048	U.S.	690
Others		Others	
South Korea	8252	South Korea	3204
Canada	125	Canada	289
New Zealand	11	Netherlands	6
Netherlands	15	New Zealand	2
Total for Others	8403		3501
Others not Listed	0		1
Grand Total	9451		4192

Fresh Tomato Wholesale Price Table

Prices Table

Country Japan
Commodity Fresh Tomatoes

Prices in per uom

Year	<input type="text" value="2002"/>	2003	% Change
Jan	<input type="text" value="241"/>	<input type="text" value="292"/>	21%
Feb	<input type="text" value="247"/>	<input type="text" value="347"/>	40%
Mar	<input type="text" value="331"/>	<input type="text" value="415"/>	25%
Apr	<input type="text" value="333"/>		-100%
May	<input type="text" value="244"/>		-100%
Jun	<input type="text" value="212"/>		-100%
Jul	<input type="text" value="225"/>		-100%
Aug	<input type="text" value="316"/>		-100%
Sep	<input type="text" value="321"/>		-100%
Oct	<input type="text" value="286"/>		-100%
Nov	<input type="text" value="449"/>		-100%
Dec	<input type="text" value="283"/>		-100%

Exchange Rate Local Currency/US\$
 Date of Quote MM/DD/YYYY